Government of Saskatchewan

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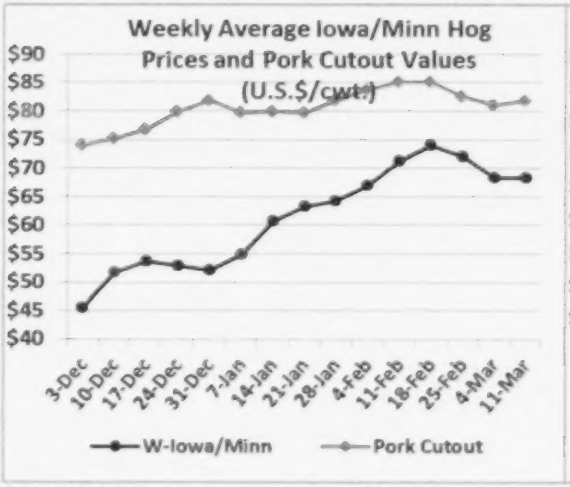
Weekly Hog Report

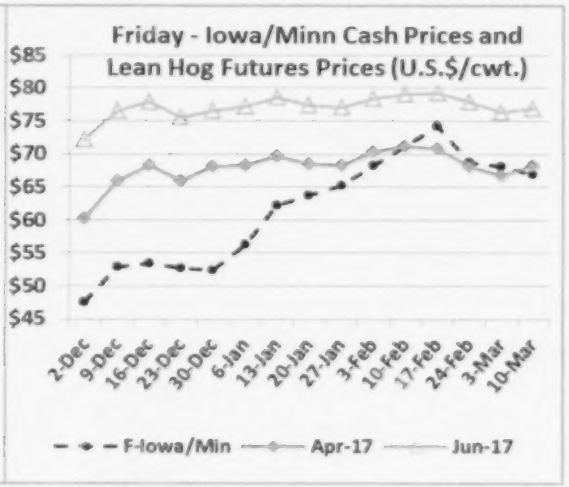
March 13, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged overall lower last week. Hog prices on Friday March 10 averaged US$66.82 per cwt, down US$1.25 per cwt or 1.8 per cent from US$68.07 per cwt the previous Friday. The negotiated weekly base price last week averaged US$68.14 per cwt, down slightly (US$0.22 per cwt) from US$68.36 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

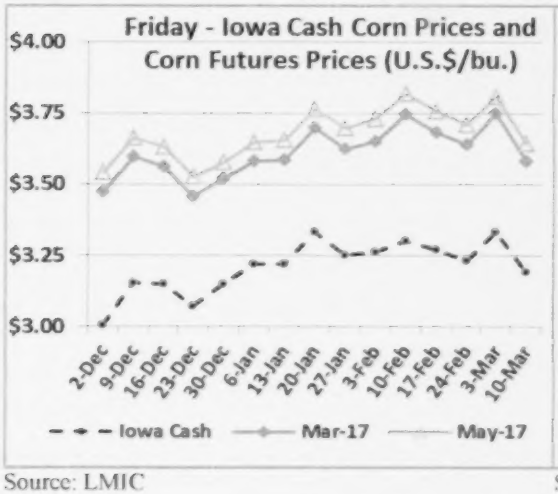
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday March 10, 2017 was $171.50 per ckg, down $0.45 per ckg or 0.3 per cent from $171.95 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $171.47 per ckg, down slightly ($0.22 per ckg) from the previous weeks' average price of $171.69 per ckg. The Canadian dollar continued lower to settle Friday at 74.28 cents, down 0.46 cents from 74.74 cents the previous Friday.

Futures Markets

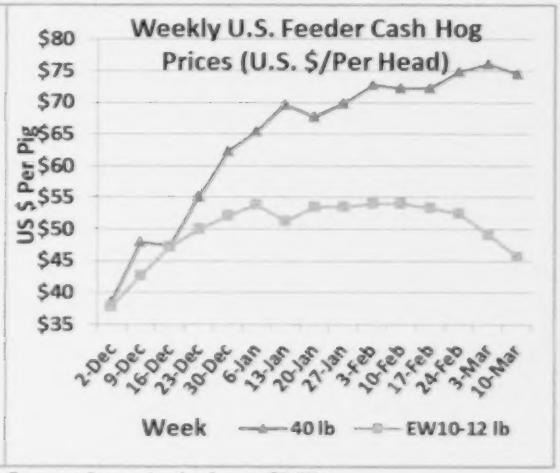
United States lean hog futures daily prices were mixed with small daily changes last week to end the week overall higher, week-over-week. The nearby April 2017 lean hog futures contract increased US$1.425 per cwt last week to settle Friday at US$68.175 per cwt; while the June 2017 lean hog futures contract increased US$0.450 per cwt to settle last Friday at US$76.900 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$45.64 per head, down US$3.42 per cwt or 7.0 per cent from US$49.06 per head the previous week. Feeders (40lb) averaged US$74.38 per head, down US$1.66 per head or 2.2 per cent from US$76.04 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.19 per bushel, down 19 cents from US$3.33 per bushel the previous Friday. Daily corn futures were lower all last week with larger losses on Thursday to push prices lower, week-over-week. The March corn futures contract declined 16.8 cents to settle Friday at US$3.58 per bushel, while the May 2017 corn contract declined 16.5 cents per bushel to settle Friday at US$3.64 ¼ per bushel. Higher projected world corn production; particularly from Brazil and Argentina helped push corn prices lower.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending March 11 were estimated at 2.313 million head, up slightly from 2.311 million head the previous week, and up 3.4 per cent from 2.237 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.311 million head, up 3.2 per cent from 2.239 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending March 4, 2017 were estimated at 423,542 head, up 4.4 per cent from 405,721 head the previous week, and up 6.3 per cent from 398,311 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 425,495 head, up 4.0 per cent from 409,232 head over the same period a year ago. Year-to-date, for the first nine weeks of 2017 Canadian hog slaughter numbers totaled 3,864,406 head, up 1.0 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending March 11, 2017 was estimated at 491.1 million lb., up slightly from 490.5 million lb. the previous week, and up 3.3 per cent from 475.6 million lb. the same week a year ago. Pork production over the last four week's ending March 11 was estimated to average 490.7 million lb., up 3.1 per cent from 476.1 million lb. over the same four week period a year ago.

U.S. beef production for the week ending March 11 was estimated at 480.3 million lb., up 0.9 per cent from 475.9 million lb. the previous week, and up 6.3 per cent from 451.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending March 4, 2017, was estimated to average 2.077 billion lb., up 2.9 per cent from 2.019 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 1.5 per cent compared to the same period in 2016.

United States Weekly Meat Production

(March 4) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	478.3	493.2	3.1%	1.3%
Beef	443.6	472.8	6.6%	4.3%
Chicken	971.2	980.7	1.0%	0.5%
Turkey	125.6	130.4	3.8%	0.2%
Total	**2,018.7**	**2,077.0**	**2.89%**	**1.50%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending March 11, 2017 averaged US$81.79 per cwt, up US$0.83 per cwt or 1.0 per cent from US$80.96 per cwt the previous week, and up 7.5 per cent from US$76.05 per cwt from the same week a year ago.

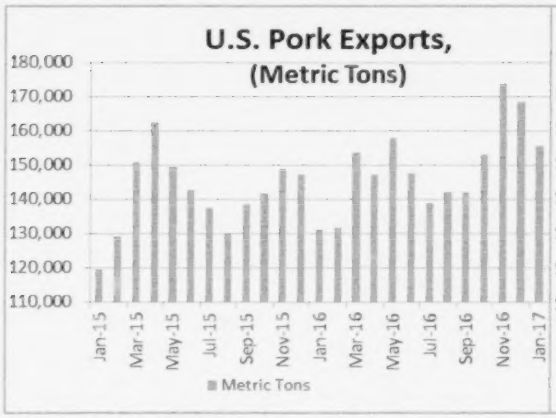
Choice beef cutout prices (600-900 lb.) for the week ending March 11, 2017 averaged US$214.12 per cwt over the week, up US$8.26 per cwt or 4.0 per cent from US$205.86 per cwt the previous week, but down 4.0 per cent from US$222.96 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending March 11, 2017 averaged US$124.52 per cwt, up US$2.85 per cwt or 2.3 per cent from US$121.67 per cwt the previous week, and up 21.5 per cent from US$102.49 per cwt the same week a year ago.

United States Pork Exports

United States exported 155,729 metric tons of pork in January 2017, down 7.7 per cent from 168,724 metric tons in December 2016, but up 18.8 per cent from 131,037 metric tons in January 2016. U.S. pork exports by volume for January 2017 versus January 2016 were notably higher to Mexico (+34.6%) and South Korea (+31.8%), but lower to China/Hong Kong (-10.6%).

By dollar amount, U.S. pork exports in January 2017 were US$418.5 million dollars, down 8.6 per cent from US$458.1 million in December 2016, but up 23.3 per cent from US$339.5 million dollars in January 2016.



Source: USDA, USMEF

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USDA World Agricultural Supply and Demand Estimates (WASDE)

On March 9, the USDA released the March World Agricultural Supply and Demand Estimates (WASDE). The March USDA WASDE report revised the **2017** United States Red Meat and Poultry production estimates to **100.739 billion lb**., a slight increase from the February estimates, with a 3.1 per cent increase in meat production for 2017 compared to 2016. United States meat production numbers for 2017 were estimated to increase for pork (+4.7%), beef (+4.1%), broilers (+2.1%), and turkey (+1.7%), from 2016. The big change from the previous February report was that beef production estimates for 2017 were increased by one per cent; on higher first quarter slaughter data and higher first quarter animal placements. (Source: USDA WASDE)

USDA March World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat & Poultry
	Quarter	Beef	Pork	Broiler	Turkey	
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	**Annual**	**23,698**	**24,501**	**40,048**	**5,627**	**94,630**
2016	**Feb. Proj.**	**25,212**	**24,939**	**40,686**	**5,981**	**97,589**
% Chg.	**2015-2016**	**6.39%**	**1.79%**	**1.59%**	**6.29%**	**3.13%**
2017	Feb. Proj.	26,000	26,170	41,525	6,120	100,586
2017	**March Proj.**	**26,250**	**26,105**	**41,525**	**6,085**	**100,739**
% Chg.	Feb.to March	0.96%	-0.25%	0.00%	-0.57%	0.15%
% Chg.	**2016 to 2017**	**4.12%**	**4.68%**	**2.06%**	**1.74%**	**3.23%**

Source: USDA March WASDE Report, March 9, 2017

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